EXCISE

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06/20/81 112721 .. PRINTER: LJ
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ACTION ARA-15
INFO OCT-01 ADS-00 IO-14 OES-09 AGR-01 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
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SS-15 STR-09 ITC-01 TRSE-00 ICA-11 SP-02 OMB-01
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FM AMEMBASSY KINGSTON
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INFO AMEMBASSY CARACAS
C O N F I D E N T I A L KINGSTON 2989
E.O. 12065: GDS 4/22/86 (LAWRENCE, L) OR-AME
TAGS: PINT, EFIN, JM
SUBJECT: OPPOSITION LEADER OUTLINES HIS PARTY'S STRATEGY FOR ECONOMIC RECOVERY
REF: KINGSTON 2920

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY RB DATE 25 JUN 1982
PORTIONS DENIED AS INDICATED

1. (U) SUMMARY. IN AN APRIL 19 SPEECH TO THE JAMAICA EXPORTERS ASSOCIATION (JEA), OPPOSITION LEADER EDDIE SEAGA OUTLINED THE ECONOMIC RECOVERY STRATEGY THE JAMAICA LABOUR PARTY (JLP) WILL IMPLEMENT IF VICTORIOUS IN THE FORTHCOMING NATIONAL ELECTION. SEAGA CLAIMED TO HAVE IDENTIFIED SOME US$150 MILLION IN NEW FOREIGN EXCHANGE SOURCES (ABOUT HALF OF THE JLP'S VERSION OF JAMAICA'S 1980 FOREIGN EXCHANGE GAP) AND PROMOTED A "SPEAR FISHING" APPROACH TO ECONOMIC RECOVERY WHEREBY THE JLP WOULD SEEK OVERSEAS COMMERCIAL PARTNERS WHO CAN PROVIDE A READYMADE MARKET NETWORK. END SUMMARY.

2. (U) IN HIS REMARKS TO THE JMA, WHICH WAS CELEBRATING JAMAICAN NATIONAL EXPORT WEEK, SEAGA ADVANCED A BROAD OUTLINE OF THE JLP'S STRATEGY FOR ECONOMIC RECOVERY IF ELECTED IN THE NATIONAL POLLING CURRENTLY PLANNED FOR LATE JULY OR EARLY AUGUST.

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SEAGA ALSO DISCLOSED THE CREATION OF AN ECONOMIC RECOVERY TASK FORCE COMPOSED OF LEADING JAMAICAN BUSINESSMEN WHICH, UNDER SEAGA'S DIRECTION, WILL PROBE FOREIGN MARKETS FROM A NEW EXPORT APPROACH. THE APPROACH ACCORDING TO SEAGA, CAN BE COMPARED TO "SPEAR FISHING" AS OPPOSED TOCURRENT GOJ STRATEGY OF "NET FISHING"; I.E., JAMAICA WILL SEEK OUT EXISTING MARKETS FOR ITS EXPORTS RATHER THAN TO ATTEMPT, BY MORE TRADITIONAL METHODS, TO WELCOME NEW INVESTORS AND NEW INDUSTRIES THROUGH AN INCENTIVE PROGRAM.

3. (C) SEAGA SAID HIS STRATEGY WAS BASED ON THE JLP'S ABILITY TO ATTRACT NEW SOURCES OF FOREIGN EXCHANGE TO CLOSE WHAT THE JLP SEES AS A US$300 MILLION ANNUAL HARD CURRENCY GAP. SEAGA TOLD THE JEA MEETING THAT HE WAS CONFIDENT THAT HE COULD IMMEDIATELY PRODUCE HALF THAT AMOUNT AND POINTED TO HIS DISCUSSIONS THE PREVIOUS DAY WITH A LARGE GARMENT RETAILER WHO

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REPORTEDLY TOLD SEAGA THAT HIS COMPANY COULD CREATE 20,000 NEW JOBS AND US$60 MILLION IN ANNU' FOREIGN EXCHANGE EARNINGS IF THERE WERE TO BE A CHANGE IN GOVERNMENT. (COMMENT: [redacted] (b)(1) ED THE COMPANY IN QUESTION IS THE TALLEY CO., AND THAT A PROPOSED GARMENT ASSEMBLY PLANT HERE, AT A COST OF J$150 MILLION, COULD EMPLOY 2,000 RPT 2,000 WORKERS. END COMMENT.
(KINGSTON 2920. WHILE SEAGA SAID HE EXPECTED INTERNATIONAL ORGANIZATIONS AND FRIENDLY COUNTRIES TO GENERATE SOME OF THE FOREIGN EXCHANGE SHORTFALL, HE REMARKED THAT THE HARD CURRENCY PROBLEM WAS SO PRESSING THAT IT COULD NOT BE LEFT "TO CHANCE OR GOODWILL."
4. (U) SEAGA ENVISAGED A THREE-YEAR PROGRAM TO FORM THE NUCLEUS OF ECONOMIC RECOVERY. THE FIRST YEAR, ACCORDING TO THE JLP LEADER, WOULD INVOLVE CLOSING THE FOREIGN EXCHANGE GAP AND RESTORING THE FLOW OF RAW MATERIALS NECESSARY TO SET IN MOTION
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JAMAICA'S IDLE INDUSTRIAL CAPACITY. SEAGA SAID THE SECOND YEAR WOULD FEATURE THE RESTORATION OF A NUMBER OF INDUSTRIAL PLANS WHICH ARE CURRENTLY "ON THE SHELF" BECAUSE OF A LACK OF INVESTOR CONFIDENCE IN THE CURRENT GOVERNMENT. IN TURN, YEAR THREE WOULD SEE THE IMPLEMENTATION OF COMPLETELY NEW PLANS AND PROJECTS. SPECIFIC AREAS FOR DEVELOPMENT CITED BY SEAGA IND (A) GARMENT AND ELECTRONIC GOODS ASSEMBLY; (B) THE COMPONENT WOODWORK INDUSTRY; (C) FABRIC PRINTING;
(D) HORTICULTURE; AND (E) AGRO-INDUSTRY, INCLUDING THE PRODUCTION OF VEGETABLES AND ASSORTED EDIBLE OILS. SEAGA ADDED THAT THE JLP STRATEGY DID NOT EXCLUDE TRADITIONAL FOREIGN EXCHANGE-EARNING AREAS SUCH AS TOURISM AND MINING, BUT INSTEAD EMPHASIZED PROJECTS WITH LOW CAPITAL INVESTMENT, LOW TECHNOLOGY, AND READY MARKETS.
5. (C) COMMENT: SEAGA'S SPEECH WAS REMARKABLY LACKING IN DETAILS, BUT THE JLP LEADER ARGUED THAT HIS PRESENTATION WAS ONLY A "STRATEGY" AS OPPOSED TO A "PLAN." HE NOTED THAT HE HAD BEEN REPEATEDLY ASKED FOR DETAILS OF THE JLP'S PLAN FOR ECONOMIC RECOVERY AND HAS REPEATEDLY RESPONDED THAT "IT IS SENSELESS TO PLAN IN A FRAMEWORK OF COLLAPSING STRUCTURE." THE LEGITIMACY OF THIS RESPONSE NOTWITHSTANDING, I PLAN TO MEET WITH SEAGA AND HIS ECONOMIC TEAM LATE NEXT WEEK AND WILL REPORT ANY FURTHER DETAILS ON THE JLP STRATEGY/PLAN AS AVAILABLE. (DRAFTED BY DAVID M. SLOAN).
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